

***Project Plan
for the Creation of
Tax Incremental District No. 4
in the
CITY OF FRANKLIN, WISCONSIN***



April 1, 2005 **[4th DRAFT]**

Public Hearing Held:

February 17, 2005

Adopted by Community Development Authority:

February 17, 2005

Adopted by City Council:

Approved by Joint Review Board:



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Tax Incremental District No. 4 Creation Project Plan

City of Franklin Officials

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Michael Gardner	Council Member
Peter Kosovich	Council Member
Steve Olson	Council Member
Lyle Sohns	Council Member
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City Staff

Frederick Klimetz	Mayor
Gary R. Petre	Director of Administrative Services
Sandra Wesolowski	City Clerk
Calvin A. Patterson	Finance Director/Treasurer
Jesse A. Wesolowski	City Attorney

Community Development Authority

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Ted Grintjes	Vice-Chair
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Dave Brown	Member
Judy Roberts	Member
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Joint Review Board

Randy Ritter	City Representative
Tim Russell	Milwaukee County
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Randy Gorman	Public Member

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1

STATEMENT OF KIND, NUMBER AND LOCATION OF PROPOSED PUBLIC WORKS

Tax Incremental District No. 4 (the "District") is being created by the City of Franklin under the authority provided by Wisconsin Statute Section 66.1105. The District is created as a "Mixed Use District" based upon a finding that at least 50%, by area, of the real property within the District is suitable for a combination of commercial and residential uses within the meaning of Wisconsin Statute Section 66.1105(2)(cm). Lands proposed for newly platted residential development comprise 9% of the area of the District. It is expected that the density of the newly-platted residential development will be at least three units per acre as required by statute.

The District is located in an area generally bounded by Fitzsimmons Street on the north, 27th Street on the east, South County Line Road on the south, and an irregular boundary on the west. The City of Franklin intends that tax increment financing (TIF) will be used to assure that a combination of private commercial and residential development occurs within the District consistent with the City's development objectives. This will be accomplished by installing public improvements, and making necessary related expenditures, to promote development within the District. The goal is to increase the tax base and to provide for and preserve employment opportunities within the City.

The following is a list of public works projects that the City expects to implement in conjunction with this District. Any costs directly or indirectly related to the public works are considered "project costs" and eligible to be paid with tax increment revenues of the District.

- **STREETS.** The City will need to construct and/or reconstruct certain streets to provide access, or to improve access, to properties within the redevelopment area. This construction or reconstruction may include a need to install traffic signals and to construct or reconstruct median areas.
- **RIGHT-OF-WAY ACQUISITION.** The City may need to acquire property for street and utility right-of-way, and for installation of stormwater management practices, to include the costs of acquisition, relocation and demolition.
- **SEWER COLLECTION SYSTEM.** Redevelopment of the area will require extensions and/or upgrade of existing sewer mains and installation of a sanitary sewer lift station.
- **WATER SYSTEM IMPROVEMENTS.** Redevelopment of the area will require extensions and/or upgrade of existing water mains.
- **STORM SEWER SYSTEM.** Redevelopment of the area will require installation or extensions of storm water mains.
- **STORMWATER MANAGEMENT.** Redevelopment of the area will require that the City construct retention/detention ponds or other stormwater management facilities to manage stormwater runoff from the development area.
- **LANDSCAPING.** The City intends to provide landscaping within public rights-of-way, such as street trees, lighting and other facilities to attract high quality development to the area.
- **ADMINISTRATIVE COSTS.** These include but are not limited to a portion of the salaries of administrative staff, public works employees and others involved with the projects throughout the project plan implementation. Audit expenses and any expenses associated with dissolving the district are also considered eligible costs.

- **ORGANIZATIONAL COSTS.** These costs include but are not limited to fees of the financial consultant, attorney, engineers, surveyors, mapmakers and other contracted services.
- **ENVIRONMENTAL AUDITS AND REMEDIATION.** The City may need to conduct environmental assessments and in some cases, remediation may be necessary and is considered an eligible project cost.
- **FINANCE COSTS.** Interest, financing fees, redemption premiums, and other financing fees are included as project costs.
- **CONSERVANCY LAND ACQUISITION.** The City intends to acquire lands within the District for purposes of preserving those lands for purposes of conservancy and management of stormwater runoff.
- **CASH GRANTS (DEVELOPMENT INCENTIVES).** The City may enter into agreements with property owners or developers for the purpose of sharing costs to encourage the desired kind of improvements and assure tax base is generated sufficient to recover project costs. No cash grants will be provided until a developer agreement is executed with the recipient of the cash grant.
- **CONTRIBUTION TO COMMUNITY DEVELOPMENT AUTHORITY.** The City may provide funds to its CDA to be used for administration, planning and operations related to the purposes for which it was established.

With all projects the costs of engineering, design, survey, inspection, materials, construction, restoring property to its original condition, apparatus necessary for the public works, legal and other consultant fees, testing, environmental studies, permits, updating City ordinances and plans, judgments or claims for damages and other expenses are included as project costs.

In the event any of the public works projects are not reimbursable out of the special TIF fund under Wisconsin Statute Section 66.1105, in the written opinion of nationally recognized bond counsel retained by the City for such purpose or a court of record so rules in a final order, then such project or projects shall be deleted herefrom and the remainder of the projects hereunder shall be deemed the entirety of the projects for purposes of this Project Plan (the "Plan").

The City reserves the right to implement only those projects that remain viable as the Plan period proceeds.

Project costs are any expenditures made, estimated to be made, or monetary obligations incurred or estimated to be incurred, by the City and as outlined in this Plan. Project costs will be diminished by any income, special assessments or other revenues, including user fees or charges received by the City in connection with implementation of this Plan. To the extent the costs benefit the municipality outside the District, a proportionate share of the cost is not a project cost. Costs identified in this Plan are preliminary estimates made prior to design considerations and are subject to change after planning is completed. Pro-ration of costs in the Plan are also estimates and subject to change based upon implementation, future assessment policies and user fee adjustments.

2

EQUALIZED VALUE TEST

The following calculations demonstrate that the City is in compliance with s.66.1105(4)(gm)4.c. Wis. Stats., which requires that the equalized value of the taxable property in the proposed District, plus the value increment of all existing Tax Incremental Districts, does not exceed 12% of the total equalized value of taxable property within the City.

STEP 1. Calculation of Maximum Equalized Property Value Allowed within Tax Incremental Districts in the City of Franklin

Equalized Value (as of January 1, 2004)		Maximum Allowable TID Property Value
\$2,681,945,500	X 12% =	\$321,833,460

STEP 2. Calculation of Equalized Property Value Currently Located and Proposed to be Located within Tax Incremental Districts

Tax Incremental Districts	Equalized Value
TID No. 2 Increment	<u>\$115,597,000</u>
Total Existing Increment	\$115,597,000
Proposed Base of New District	\$ 14,470,200
Total Existing Increment Plus Proposed Base	\$130,067,200

The equalized value of the increment of existing Tax Incremental Districts within the City, plus the base value of the proposed District, totals \$130,067,200. This value is less than the maximum of \$321,833,460 in equalized value that is permitted for the City of Franklin. The City is therefore in compliance with the statutory equalized valuation test and may proceed with creation of this District.

Concurrent with the creation of TID Number 4, the City is considering creation of TID Number 3. The proposed base of TID Number 4 is \$32,310,820. Even with the concurrent creation of another District, the City will still be well under the statutory equalized valuation test.

3

ECONOMIC FEASIBILITY STUDY

The City of Franklin, located in the south-central part of Milwaukee County is a community of approximately 31,804 in population. The City benefits from proximity to the City of Milwaukee as an economic center, as well as convenient access to major ground and air transportation routes and facilities. Growth in the City has been significant and sustained, characterized by rapidly escalating land values and high demand for readily developable land with necessary infrastructure improvements.

The charts and exhibits on the following pages demonstrate that the City will be able to obtain the funds necessary to implement the projects in this Plan and that the revenue from the District will be sufficient to pay for them. Charts I and II on p. 5 project, respectively, the City's equalized value, and the full faith and credit borrowing capacity of the City. Equalized valuation projections were made using two methods. The first projects the future valuation of the City using the average annual percentage of valuation growth experienced between 2000 and 2004. The second method projects the future valuation based upon the average annual increment between 2000 and 2004. This method is identified as the straight-line method. Chart II projects the general obligation borrowing capacity of the City utilizing the straight-line valuation projection and considering the existing debt of the City. The chart demonstrates that the City is likely to have a general obligation capacity in the range of \$109,297,275 to \$271,668,535 during the project implementation period.

In addition to general obligation bonds, the City can issue revenue bonds for utility projects to be repaid from revenues of the sewer and/or water systems, including revenues paid by the City that represent service of the system to the City. There is no statutory nor constitutional limitation on the amount of revenue bonds that can be issued, however, water rates are controlled by the Wisconsin Public Service Commission and the City must demonstrate to bond underwriters its ability to repay revenue debt with the assigned rates.

Special assessments may be levied against benefited properties to pay part of the street, curb, gutter, sewer and water extension costs. The City can issue special assessment B bonds pledging revenues from special assessment installments to the extent assessment payments are outstanding. These bonds are not counted against the City's constitutional debt limit.

The City also has the authority to issue Lease Revenue Bonds through its CDA should this financing vehicle be useful in accomplishing the objectives of the Plan if the procedural requirements of Section 66.1333 of the Wisconsin Statutes are met. These obligations are secured by lease payments to be made by the City and are not to be counted against the City's general obligation debt limit.

In addition to debt financing, the City may use cash on hand from other funds to finance project costs as well as any available TIF fund balance. Any cash advances from other funds will be reimbursed from available tax increments.

Based on the economic characteristics and the financing resources of the City, all projects outlined in this Plan can be financed and are feasible.

EQUALIZED VALUATION PROJECTION City of Franklin, Wisconsin

CHART I

|---PERCENTAGE METHOD---|

|--STRAIGHT LINE METHOD--|

HISTORICAL DATA

2000	1,871,538,300		2000	1,871,538,300	
2001	2,026,671,300		2001	2,026,671,300	
2002	2,223,010,500		2002	2,223,010,500	
2003	2,400,765,500		2003	2,400,765,500	
2004	2,681,945,500	10.83%	2004	2,681,945,500	10.83%

Straight Line Method Value Increment

\$202,601,800

PROJECTED VALUATIONS

2005	2,972,277,248	10.83%	2005	2,884,547,300	7.55%
2006	3,294,038,614	10.83%	2006	3,087,149,100	7.02%
2007	3,650,631,986	10.83%	2007	3,289,750,900	6.56%
2008	4,045,828,072	10.83%	2008	3,492,352,700	6.16%
2009	4,483,805,777	10.83%	2009	3,694,954,500	5.80%
2010	4,969,196,390	10.83%	2010	3,897,556,300	5.48%
2011	5,507,132,553	10.83%	2011	4,100,158,100	5.20%
2012	6,103,302,542	10.83%	2012	4,302,759,900	4.94%
2013	6,764,010,411	10.83%	2013	4,505,361,700	4.71%

CHART II

BUDGET YEAR	EQUALIZED VALUE	GROSS DEBT LIMIT	DEBT BALANCE ¹	NET BORROWING CAPACITY
2005	2,681,945,500	134,097,275	24,800,000	109,297,275
2006	2,884,547,300	144,227,365	22,900,000	121,327,365
2007	3,087,149,100	154,357,455	21,600,000	132,757,455
2008	3,289,750,900	164,487,545	19,300,000	145,187,545
2009	3,492,352,700	174,617,635	16,675,000	157,942,635
2010	3,694,954,500	184,747,725	14,025,000	170,722,725
2011	3,897,556,300	194,877,815	11,800,000	183,077,815
2012	4,100,158,100	205,007,905	9,470,000	195,537,905
2013	4,302,759,900	215,137,995	9,070,000	206,067,995
2014	4,505,361,700	225,268,085	8,650,000	216,618,085
2015	4,707,963,500	235,398,175	7,970,000	227,428,175
2016	4,910,565,300	245,528,265	7,255,000	238,273,265
2017	5,113,167,100	255,658,355	6,300,000	249,358,355
2018	5,315,768,900	265,788,445	5,400,000	260,388,445
2019	5,518,370,700	275,918,535	4,250,000	271,668,535
2020	5,720,972,500	286,048,625	3,040,000	283,008,625
2021	5,923,574,300	296,178,715	1,560,000	294,618,715
2022	6,126,176,100	306,308,805		306,308,805
2023	6,328,777,900	316,438,895		316,438,895
2024	6,531,379,700	326,568,985		326,568,985
2025	6,733,981,500	336,699,075		336,699,075
2026	6,936,583,300	346,829,165		346,829,165

¹ GO Debt remaining per schedule provided by City Finance Director on 1/17/05

PROJECTED REVENUE

The Exhibits found on pages 7 and 8 project the development that is expected to occur within the District, and the associated estimate of TIF revenues that will be available to retire the debt incurred to finance project costs. The increment projections are based on the following assumptions:

- U The base value of the District is \$14,470,200.
- U New development with a value of \$180,547,023 will be established within the District between the years 2006 and 2024 per the build out schedule on page 10.
- U The equalized tax rate in 2005 is projected to be \$22.78 per thousand. It is projected to remain constant throughout the proforma.
- U Valuations are projected to increase 1% each year reflecting ordinary inflation of property values within the District.



City of Franklin

Proposed Tax Increment District No. 4 ("Area D")

Development Assumptions¹

Const. Year	Covenant ²	MLG Residential	MLG Commercial	Oakwood South	Additional Lots ³	Annual Total
2005						0
2006		10,817,363	2,060,450			12,877,813
2007	18,000,000	9,149,686	6,274,070			33,423,756
2008			4,245,454			4,245,454
2009						0
2010						0
2011						0
2012				30,000,000	8,000,000	38,000,000
2013					8,000,000	8,000,000
2014					8,000,000	8,000,000
2015					8,000,000	8,000,000
2016					8,000,000	8,000,000
2017					7,500,000	7,500,000
2018					7,500,000	7,500,000
2019					7,500,000	7,500,000
2020					7,500,000	7,500,000
2021					7,500,000	7,500,000
2022					7,500,000	7,500,000
2023					7,500,000	7,500,000
2024					7,500,000	7,500,000
TOTAL	18,000,000	19,967,049	12,579,974	30,000,000	100,000,000	0
						180,547,023



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NOTES:

¹ Development assumption numbers provided by City of Franklin or MLG.

² Represents estimated value of taxable portion of development only.

³ Assumes 200 Acres of Additional Developable Property to be valued at \$500,000 per acre; build out at 16 acres per year from 2012-2016, and 15 acres each year thereafter.



Proposed Tax Increment District No. 4 ("Area D")

Projected Tax Increment

Base Value ¹	14,470,200	Inflation Factor	1.00%
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Proposed Mixed Use District	Tax Rate Adjustment Factor	0.00%
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Construction Year	Valuation Year	Revenue Year	Inflation Increment	Value Added	Valuation Increment	Tax Rate	Tax Increment	
1	2005	2006	2007	144,702	0	144,702	22.78	3,296
2	2006	2007	2008	146,149	12,877,813	13,168,664	22.78	299,982
3	2007	2008	2009	276,389	33,423,756	46,868,809	22.78	1,067,671
4	2008	2009	2010	613,390	4,245,454	51,727,653	22.78	1,178,356
5	2009	2010	2011	661,979	0	52,389,631	22.78	1,193,436
6	2010	2011	2012	668,598	0	53,058,230	22.78	1,208,666
7	2011	2012	2013	675,284	0	53,733,514	22.78	1,224,049
8	2012	2013	2014	682,037	38,000,000	92,415,551	22.78	2,105,226
9	2013	2014	2015	1,068,858	8,000,000	101,484,409	22.78	2,311,815
10	2014	2015	2016	1,159,546	8,000,000	110,643,955	22.78	2,520,469
11	2015	2016	2017	1,251,142	8,000,000	119,895,096	22.78	2,731,210
12	2016	2017	2018	1,343,653	8,000,000	129,238,749	22.78	2,944,059
13	2017	2018	2019	1,437,089	7,500,000	138,175,839	22.78	3,147,646
14	2018	2019	2020	1,526,460	7,500,000	147,202,299	22.78	3,353,268
15	2019	2020	2021	1,616,725	7,500,000	156,319,024	22.78	3,560,947
16	2020	2021	2022	1,707,892	7,500,000	165,526,916	22.78	3,770,703
17	2021	2022	2023	1,799,971	7,500,000	174,826,887	22.78	3,982,556
18	2022	2023	2024	1,892,971	7,500,000	184,219,858	22.78	4,196,528
19	2023	2024	2025	1,986,901	7,500,000	193,706,759	22.78	4,412,640
20	2024	2025	2026	2,081,770	7,500,000	203,288,528	22.78	4,630,913

EXPENDITURE PERIOD



Totals	180,547,023	49,843,439
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NET PRESENT VALUE OF 2007-2026 INCREMENT @ 5.0% 26,348,661

NOTES:

¹ Base Value taken from value spreadsheet provided by City Assessor's Office 9-16-04.

CASH FLOW

The proforma on p.10 summarizes the District's cash position throughout its potential life. It shows revenues, expenses and balances by year. Revenues include tax increments, capitalized interest and interest earned investing year-end balances.

Expenditures represent payments for contract agreements with developers, and principal and interest payments on this District's share of debt issued to finance projects listed in the Plan. The tentative proposed issues are identified as follows:

Issue No.	Year	Description	Amount
1	2005	General Obligation Community Development Bonds	\$4,790,000
2	2008	General Obligation Community Development Bonds	\$6,060,000
3	2012	General Obligation Community Development Bonds	\$12,980,000

Revenues anticipated will be sufficient to meet all obligations in a timely manner and produce a \$3,070,452 accumulated surplus by the year 2023.



Proposed Tax Increment District No. 4 ("Area D")

Cash Flow Proforma

Revenues					Issue #1 (2005 Projects)				Issue #2 (2008 Projects)				Issue #3 (2012 Projects)				Fund Balance		Principal Outstanding		
Year	Increment	Interest ¹	Cap. Int.	TOTAL	Prin (2/1)	Rate ²	Interest	TOTAL	Prin (2/1)	Rate ²	Interest	TOTAL	Prin (2/1)	Rate ²	Interest	TOTAL	Annual	Cumulative		Year	
2005	0	0	450,741	450,741			50,082	50,082				0				0	400,659	400,659	23,830,000	2005	
2006	0	4,007		4,007		2.600%	200,330	200,330				0				0	(196,323)	204,336	23,830,000	2006	
2007	3,296	2,043		5,340		2.780%	200,330	200,330				0				0	(194,990)	9,346	23,830,000	2007	
2008	299,982	93	430,511	730,586		2.880%	200,330	200,330				143,504	143,504			0	386,753	396,099	23,830,000	2008	
2009	1,067,671	3,961		1,071,632	100,000	3.030%	198,815	298,815		3.100%	287,007	287,007				0	485,811	881,910	23,730,000	2009	
2010	1,178,356	8,819		1,187,175	145,000	3.340%	194,878	339,878		3.280%	287,007	287,007				0	560,290	1,442,200	23,585,000	2010	
2011	1,193,436	14,422		1,207,858	200,000	3.570%	188,887	388,887	100,000	3.380%	285,317	385,317				0	433,654	1,875,855	23,285,000	2011	
2012	1,208,666	18,759		1,227,425	200,000	3.780%	181,537	381,537	100,000	3.530%	281,862	381,862			297,364	297,364	166,663	2,042,518	22,985,000	2012	
2013	1,224,049	20,425		1,244,475	175,000	3.950%	174,300	349,300	100,000	3.840%	278,177	378,177		0	3.100%	594,727	594,727	(77,730)	1,964,788	22,710,000	2013
2014	2,105,226	19,648		2,124,874	600,000	4.070%	158,634	758,634	250,000	4.070%	271,170	521,170		200,000	3.280%	591,447	791,447	53,624	2,018,412	21,660,000	2014
2015	2,311,815	20,184		2,331,999	725,000	4.190%	131,235	856,235	350,000	4.280%	258,592	608,592		200,000	3.380%	584,787	784,787	82,385	2,100,796	20,385,000	2015
2016	2,520,469	21,008		2,541,477	825,000	4.290%	98,350	923,350	400,000	4.450%	242,202	642,202		400,000	3.530%	574,347	974,347	1,578	2,102,374	18,760,000	2016
2017	2,731,210	21,024		2,752,234	875,000	4.390%	61,448	936,448	410,000	4.570%	223,934	633,934		600,000	3.840%	555,767	1,155,767	26,086	2,128,460	16,875,000	2017
2018	2,944,059	21,285		2,965,343	945,000	4.470%	21,121	966,121	550,000	4.690%	201,668	751,668		650,000	4.070%	531,020	1,181,020	66,536	2,194,996	14,730,000	2018
2019	3,147,646	21,950		3,169,596		4.540%	0	0	650,000	4.790%	173,203	823,203		1,000,000	4.280%	496,392	1,496,392	850,001	3,044,997	13,080,000	2019
2020	3,353,268	30,450		3,383,718		4.610%	0	0	750,000	4.890%	139,298	889,298		1,300,000	4.450%	446,067	1,746,067	748,354	3,793,351	11,030,000	2020
2021	3,560,947	37,934		3,598,881		4.670%	0	0	800,000	4.970%	101,080	901,080		1,300,000	4.570%	387,437	1,687,437	1,010,364	4,803,715	8,930,000	2021
2022	3,770,703	48,037		3,818,740		4.740%	0	0	800,000	5.040%	61,040	861,040		1,400,000	4.690%	324,902	1,724,902	1,232,798	6,036,513	6,730,000	2022
2023	3,982,556	60,365		4,042,922		4.800%	0	0	800,000	5.110%	20,440	820,440		1,400,000	4.790%	258,542	1,658,542	1,563,940	7,600,452	4,530,000	2023
2024	4,196,528	76,005		4,272,533		4.860%	0	0		5.170%	0	0		1,500,000	4.890%	188,337	1,688,337	2,584,196	10,184,648	3,030,000	2024
2025	4,412,640	101,846		4,514,486	0	4.920%	0	0		5.240%	0	0		1,500,000	4.970%	114,387	1,614,387	2,900,099	13,084,748	1,530,000	2025
2026	4,630,913	130,847		4,761,760					0	5.300%	0	0		1,530,000	5.040%	38,556	1,568,556	3,193,204	16,277,952	0	2026
TOTALS	49,843,439	683,112	881,252	51,407,803	4,790,000		2,060,275	6,850,275	6,060,000		3,255,498	9,315,498	12,980,000		5,984,078	18,964,078					

NOTES:

¹ Interest earnings projection equal to 1% of preceding year's estimated fund balance.

² Estimated Rates are 1-4-05 MMD "AA" Scale +50 BP for 2005 Issue and +100 BP for 2008 and 2012 Issues

4

DETAILED LIST OF PROJECT COSTS

This Plan is not meant to be a budget nor an appropriation of funds for specific projects, but a framework with which to manage projects. All costs included in the Plan are estimates based on best information available. The City retains the right to delete projects or change the scope and/or timing of projects implemented as they are individually authorized by the City Council, without amending the Plan.

All costs are based on 2005 prices and are preliminary estimates. The City reserves the right to increase these costs to reflect inflationary increases and other uncontrollable circumstances between 2005 and the time of construction. The City also reserves the right to increase certain project costs to the extent others are reduced or not implemented, without amending the Plan. The tax increment allocation is preliminary and is subject to adjustment based upon the implementation of the Plan.

A detailed listing of project costs is found on 12.



Proposed Tax Increment District No. 4 ("Area D")

Project Costs¹

PROJECT LIST	PHASE I PROJECTS 2005	PHASE II PROJECTS 2008	PHASE III PROJECTS 2012
Oakwood Road and Lands North			
Water Main (Ryan Road to Oakwood Road) ²	600,000		
Oakwood Road Reconstruction (48' Wide)/Median	1,860,000		
Oakwood Road Sanitary Sewer ²	260,000		
Traffic Signals/Median Reconstruction	200,000		
Oakwood Road Water Main ²	330,000		
Roundabout Covenant/MLG Entrance	172,400		
Improvement into MLG Property (150 feet) from S. 27th Street	110,000		
Subtotal	3,532,400		
Extension of Sanitary Sewer on S. 27th Street south of Oakwood Road			
Gravity Main (Oakwood to Elm Road)		420,000	
Gravity Main (Lift station to south of Elm Road)		209,000	
Lift Station (S. 27th St. at S. County Line)		2,200,000	
Force Main (Life station to Elm Road)		240,000	
Water Main (S. 27th Street - Oakwood to S. County Line) ²		750,000	
Subtotal		3,819,000	
Installation of infrastructure south of Oakwood Road			
Elm Road Reconstruction (48' Wide)			1,490,000
South County Line Road Reconstruction (48' Wide)			1,830,000
Middle and West Road Construction (40' Wide)			5,010,000
Traffic Signals/Median Reconstruction			400,000
Sanitary Sewer			1,611,000
Water Main in Elm Rd., S. County Line, Middle and West Rd. & North Stubs			1,560,000
Easement (Oakwood to Elm Road)			420,000
Subtotal			12,321,000
Contingency	177,000	229,000	530,000
Land Acquisition			
Fitzsimmons Woods ³	375,000		
Oakwood Road Right of Way	200,000		
Conservancy Land (Two Areas)		1,500,000	
Subtotal	575,000	1,500,000	
TOTAL ESTIMATED PROJECT COSTS	4,284,400	5,548,000	12,851,000
Financing Expenses			
Fees (Advisory, Bond Counsel, Discount, Rating)	83,432	102,098	191,932
Capitalized Interest	450,741	430,511	0
Subtotal	534,173	532,609	191,932
TOTAL CAPITAL REQUIRED	4,818,573	6,080,609	13,042,932
Less Rounding/Interest Earnings	(28,573)	(20,609)	(62,932)
NET BOND SIZE	4,790,000	6,060,000	12,980,000

NOTES:

¹ Source of project cost estimates are City Engineer memos dated 11-10-04 and 1-18-05. Land acquisition costs for Fitzsimmons Woods and Conservancy Areas provided by Alderman Solomon at 1-3-05 meeting.

² Costs for this portion of the project may be special assessed and/or paid from connection fee funding.

³ Total cost of acquisition exclusive of any grant funds which may be received.



EHLERS
& ASSOCIATES INC.



EHLERS
& ASSOCIATES INC.

5

A DESCRIPTION OF THE METHODS OF FINANCING AND THE TIME WHEN SUCH COSTS OR MONETARY OBLIGATIONS RELATED THERETO ARE TO BE INCURRED

PLAN IMPLEMENTATION

Projects identified will provide the anticipated governmental services to the area. A reasonable and orderly sequence is outlined on the following page. However, public debt and expenditures should be made at the pace private development occurs to assure increment is sufficient to cover expenses.

It is anticipated developer agreements between the City and property owners will be in place prior to major public expenditures. These agreements can provide for development guarantees or a payment in lieu of development. To further assure contract enforcement these agreements might include levying of special assessments against benefited properties.

The order in which public improvements are made should be adjusted in accordance with development and execution of developer agreements. The City reserves the right to alter the implementation of this Plan to accomplish this objective.

Interest rates projected are based on current market conditions. Municipal interest rates are subject to constantly changing market conditions. In addition, other factors such as the loss of tax-exempt status of municipal bonds or broadening the purpose of future tax-exempt bonds would affect market conditions. Actual interest expense will be determined once the methods of financing have been approved and securities issued.

This Project Plan provides one example of how the City could provide the financing required to undertake the projects it intend to complete within the District. The City reserves the right to use any of the alternate financing solutions described in Section 3 above for the projects as they are implemented, without amending the Plan.

Issue No. 1
General Obligation Community Development Bonds (2005)
\$4,790,000

Proposed Maturity Schedule

The Phase I projects are anticipated to be financed with General Obligation Community Development Bonds to be issued under authority of Wisconsin Statutes Chapter 67. The following is the proposed schedule for repayment of project costs using estimated interest rates.

YEAR	PRINCIPAL	INTEREST	TOTAL
2005		50,082	50,082
2006		200,330	200,330
2007		200,330	200,330
2008		200,330	200,330
2009	100,000	198,815	298,815
2010	145,000	194,878	339,878
2011	200,000	188,887	388,887
2012	200,000	181,537	381,537
2013	175,000	174,300	349,300
2014	600,000	158,634	758,634
2015	725,000	131,235	856,235
2016	825,000	98,350	923,350
2017	875,000	61,448	936,448
2018	945,000	21,121	966,121
TOTAL	4,790,000	2,060,275	6,850,275

Issue No. 2
General Obligation Community Development Bonds (2008)
\$6,060,000

Proposed Maturity Schedule

The Phase II projects are anticipated to be financed with General Obligation Community Development Bonds to be issued under authority of Wisconsin Statutes Chapter 67. The following is the proposed schedule for repayment of project costs using estimated interest rates.

YEAR	PRINCIPAL	INTEREST	TOTAL
2008		143,504	143,504
2009		287,007	287,007
2010		287,007	287,007
2011	100,000	285,317	385,317
2012	100,000	281,862	381,862
2013	100,000	278,177	378,177
2014	250,000	271,170	521,170
2015	350,000	258,592	608,592
2016	400,000	242,202	642,202
2017	410,000	223,934	633,934
2018	550,000	201,668	751,668
2019	650,000	173,203	823,203
2020	750,000	139,298	889,298
2021	800,000	101,080	901,080
2022	800,000	61,040	861,040
2023	800,000	20,440	820,440
TOTAL	6,060,000	3,255,498	9,315,498

Issue No. 3
General Obligation Community Development Bonds (2012)
\$12,980,000

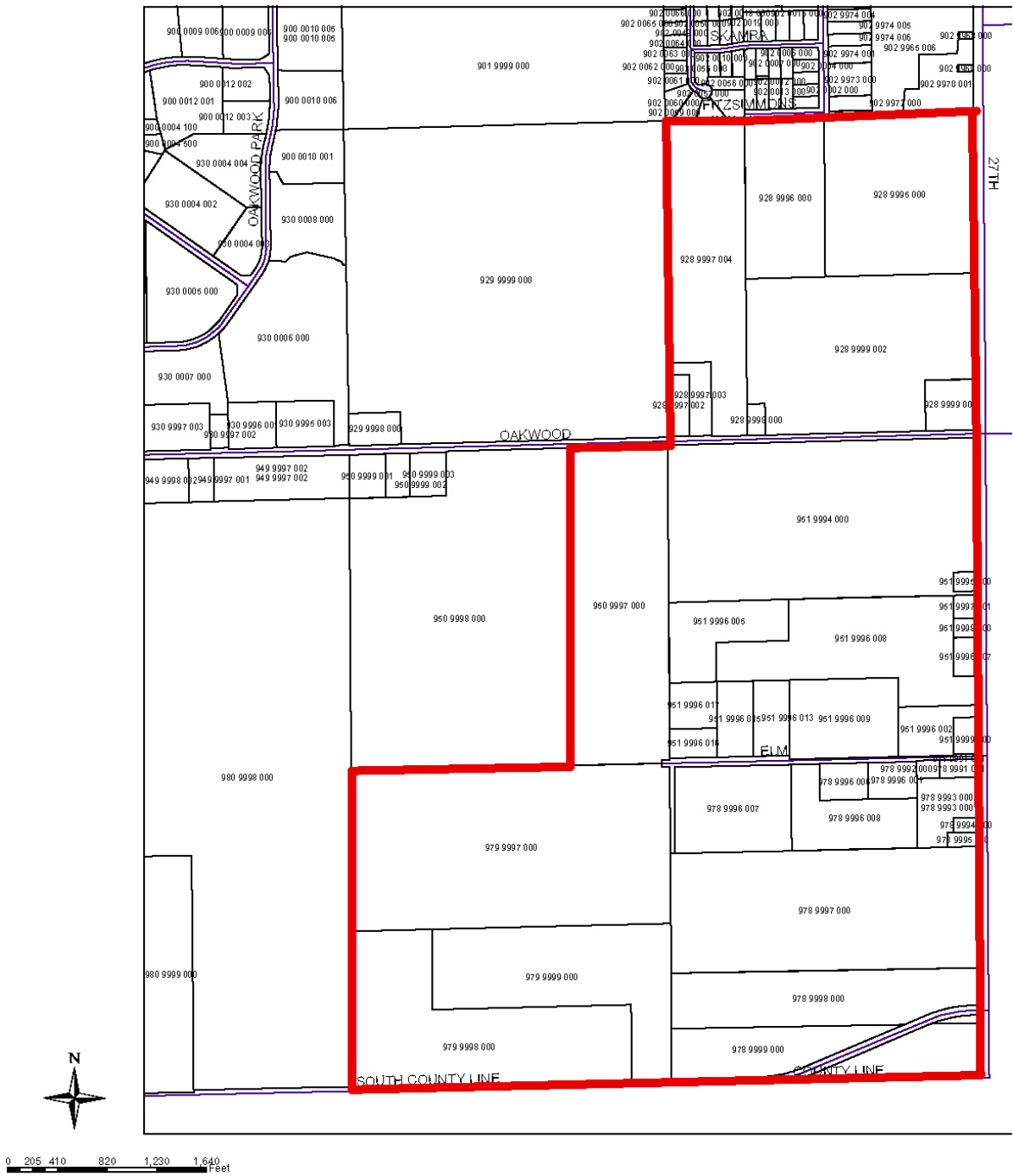
Proposed Maturity Schedule

The Phase III projects are anticipated to be financed with General Obligation Community Development Bonds to be issued under authority of Wisconsin Statutes Chapter 67. The following is the proposed schedule for repayment of project costs using estimated interest rates.

YEAR	PRINCIPAL	INTEREST	TOTAL
2012		297,364	297,364
2013		594,727	594,727
2014	200,000	591,447	791,447
2015	200,000	584,787	784,787
2016	400,000	574,347	974,347
2017	600,000	555,767	1,155,767
2018	650,000	531,020	1,181,020
2019	1,000,000	496,392	1,496,392
2020	1,300,000	446,067	1,746,067
2021	1,300,000	387,437	1,687,437
2022	1,400,000	324,902	1,724,902
2023	1,400,000	258,542	1,658,542
2024	1,500,000	188,337	1,688,337
2025	1,500,000	114,387	1,614,387
2026	1,530,000	38,556	1,568,556
TOTAL	12,980,000	5,984,078	18,964,078

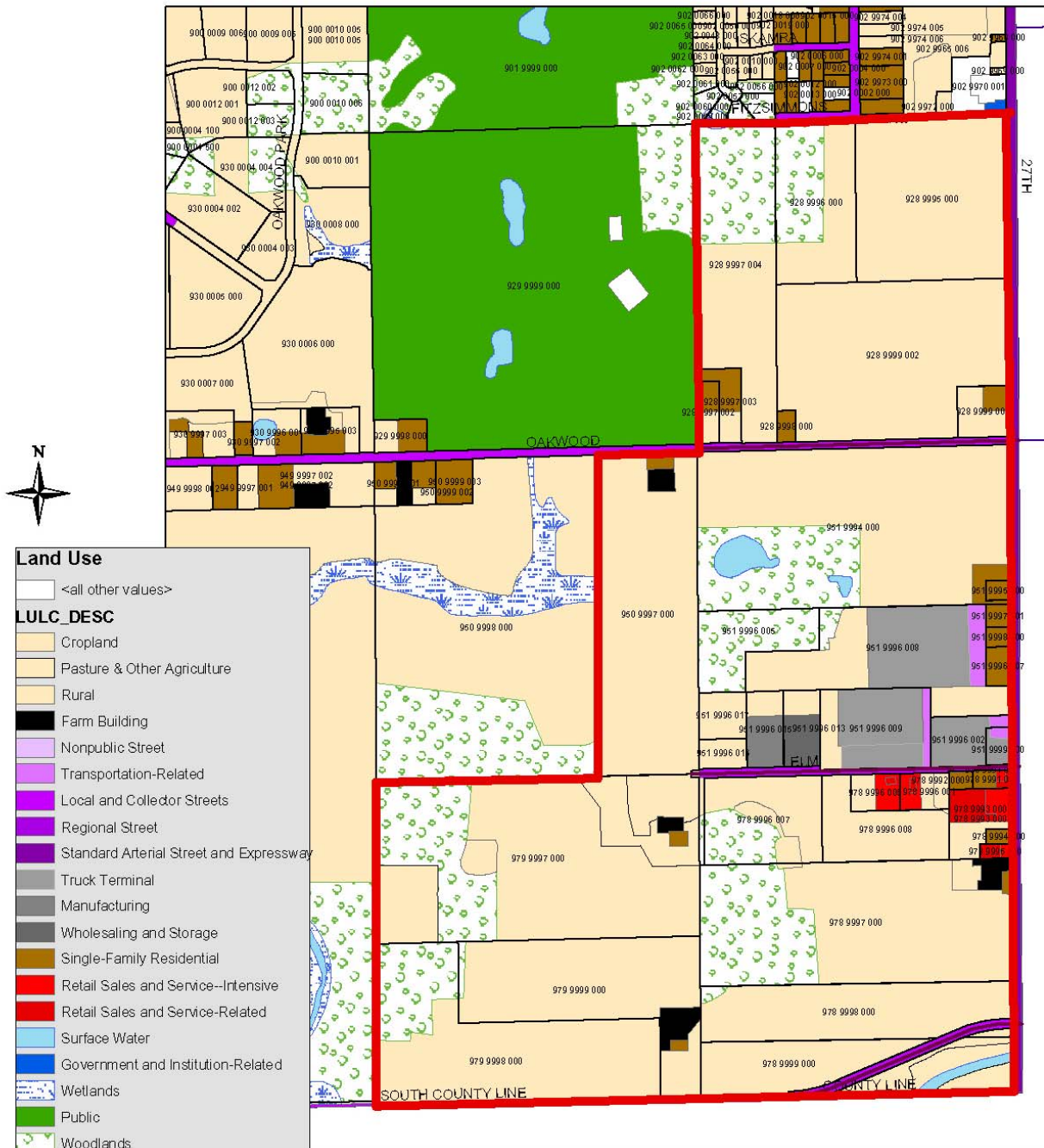
6

BOUNDARY MAP



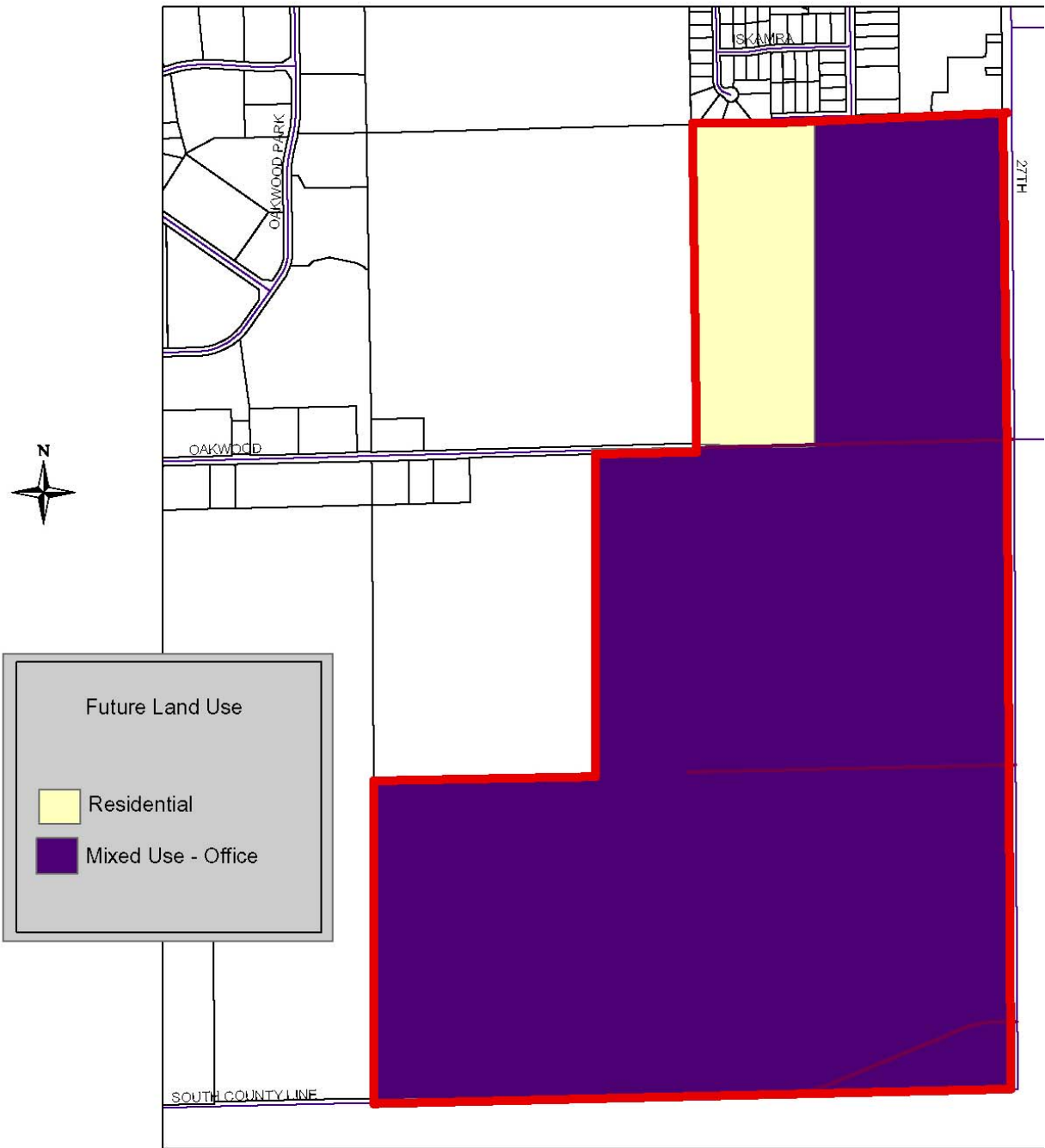
7

MAP SHOWING EXISTING USES AND CONDITIONS



8 MAP SHOWING PROPOSED USES

(Land use is derived from the South 27th Street Corridor Plan
& the Fitzsimmons Planning Area Neighborhood Plan)

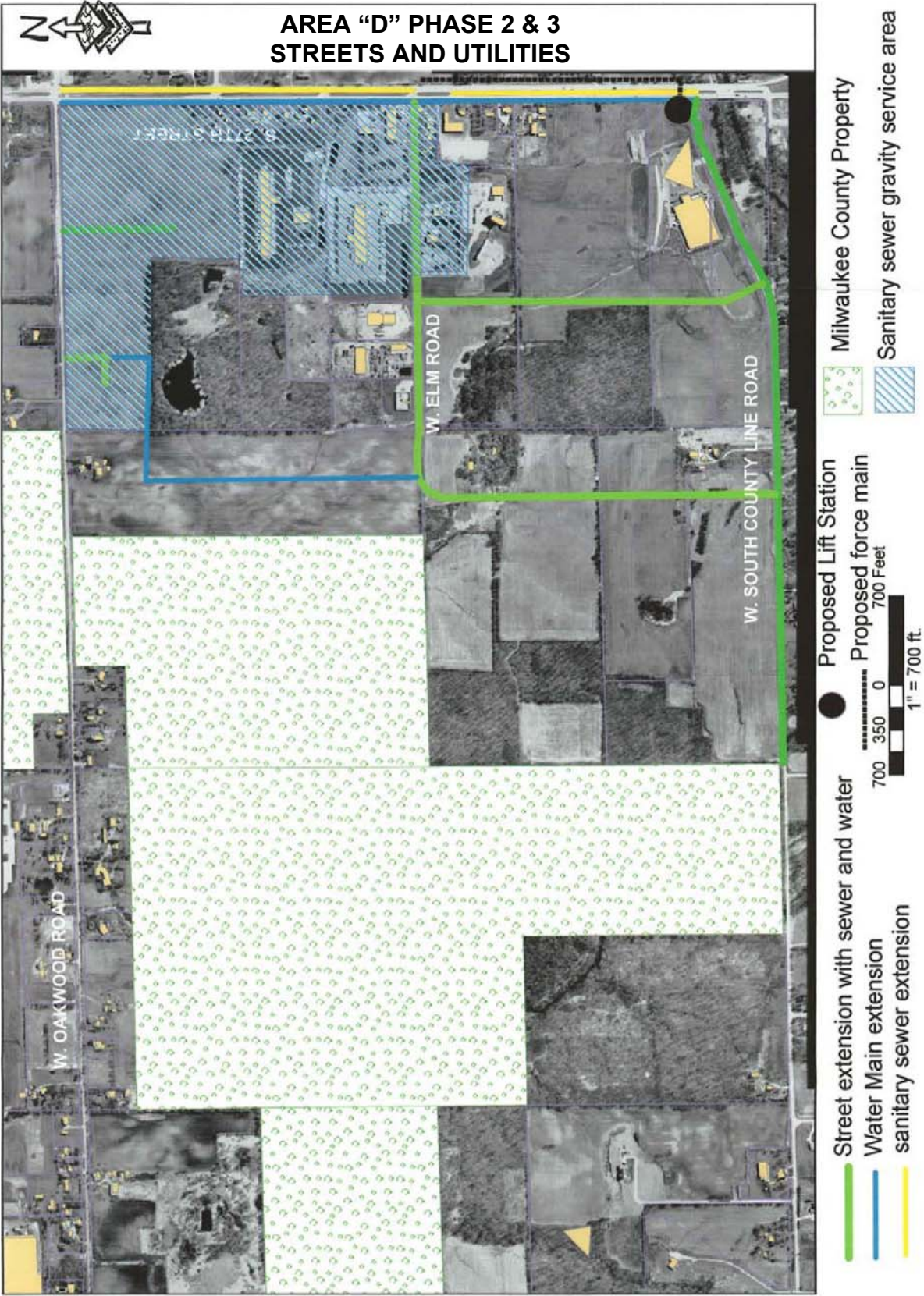


9

MAP SHOWING PROPOSED PROJECTS AND IMPROVEMENTS

AREA "D" PHASE 1
STREETS AND UTILITIES





10

ESTIMATE OF PROPERTY TO BE DEVOTED TO RETAIL BUSINESS

Pursuant to Section 66.1105(5)(b) of the Wisconsin State Statutes the City estimates that that no more than 55% of the territory within the District will be devoted to retail business at the end of the District's maximum expenditure period.

11

ANNEXED PROPERTY

There are no lands proposed for inclusion within the District that were annexed by the City on or after January 1, 2004.

12

A LIST OF ESTIMATED NON-PROJECT COSTS

Anticipated construction by private parties: \$183,000,000

13

PROPOSED CHANGES IN ZONING ORDINANCES

The City does not anticipate the need for any changes to its zoning ordinances in conjunction with this Plan.

14

PROPOSED CHANGES IN MASTER PLAN, MAP, BUILDING CODES AND CITY ORDINANCES

It is expected that this Plan will be complementary to the City's Master Plan. There are no proposed changes to the building codes, the map or other City ordinances for the implementation of this Plan.

15

RELOCATION

It is not anticipated there will be a need to relocate any persons or businesses in conjunction with this Plan. In the event relocation becomes necessary at some time during the implementation period, the City will take the following steps and actions.

Before negotiations begin for the acquisition of property or easements, all property owners will be provided an informational pamphlet prepared by the Wisconsin Department of Commerce and if any person is to be displaced as a result of the acquisition, they will be given a pamphlet on "Relocation Rights". The City will provide each owner a full narrative appraisal, a map showing the owners of all property affected by the proposed project and a list of all or at least ten neighboring landowners to whom offers are being made.

The City will file a relocation plan with the Department of Commerce and will not proceed with displacement of persons or business concerns until the plan is approved in writing by the Department of Commerce as required by Wisconsin Statutes Section 32.25. The City will also keep records as required in Wisconsin Statutes Section 32.27.

16

ORDERLY DEVELOPMENT OF THE CITY OF FRANKLIN

TID No. 4 contributes to the orderly development of the City by providing the opportunity for continued growth in tax base and job opportunities.

17

PRELIMINARY PARCEL LIST

Parcel ID	Property Address	Property Owner
928 9995 000		GOLDMAN, SUSAN D UNITRUST OF 2002
928 9996 000		GOLDMAN, SUSAN D UNITRUST OF 2002
928 9997 002	3472 W OAKWOOD RD	GADOWSKI, THOMAS S & W
928 9997 003	3410 W OAKWOOD RD	PINTAR, ALAN E & JILL A
928 9997 004	3472 W OAKWOOD RD	KUPFER, JAMES A
928 9998 000	3230 W OAKWOOD RD	HAHN, YOHANA JUDY
928 9999 001	10233 S 27TH ST	STUMMVOLL, RUDOLPH
928 9999 002		WCR HERZEBROCK I LTD PTNRSH
950 9997 000	3617 W OAKWOOD RD	WENDT, LORRAINE SURVIVOR TR 10%
951 9994 000	10521 S 27TH ST	MAHR, GRACE/FREDERICK/ALFRED
951 9995 000	10467 S 27TH ST	SPENCER, MARILYN
951 9996 002		BEST DISPOSAL SYSTEMS
951 9996 005	10521 S 27TH ST	MAHR, FREDERICK/JOAN/ALFRED
951 9996 007	10563 S 27TH ST	ACKER, JAMES J & DELORES
951 9996 008	10601 S 27TH ST	CON-WAY CENTRAL EXPRESS
951 9996 009	10613 S 27TH ST	AMERICAN FREIGHTWAYS CORP
951 9996 013	3240 W ELM RD	AAA ENVIRONMENTAL IND
951 9996 015	3310 W ELM RD	BTL HOLDINGS, LLC
951 9996 016	3400 W ELM RD	WISCONSIN ELECTRIC POWER CO
951 9996 017		WISCONSIN ELECTRIC POWER CO
951 9997 001	10511 S 27TH ST	MAHR, FREDERICK
951 9998 000	10521 S 27TH ST	MAHR, FREDERICK & GRACE
951 9999 000	10627 S 27TH ST	BEST DISPOSAL SYSTEMS
978 9991 001	10711 S 27TH ST	H A & H HOLDINGS, LLC
978 9992 000	2825 W ELM RD	FLEICHMAN, ROBERT M
978 9993 000	10741 S 27TH ST	H A & H HOLDINGS, LLC
978 9994 000	10771 S 27TH ST	WIKEL, DALE L & W
978 9995 000	10791 S 27TH ST	RYAN, BASIL E JR
978 9996 001	2901 W ELM RD	KUHN, DONALD & GAIL
978 9996 006	3001 W ELM RD	WASTE MGMT OF WIS INC
978 9996 007	3151 W ELM RD	BORCHARDT, KAREN E
978 9996 008	3131 W ELM RD	SRM FRANKLIN, LLC
978 9997 000	10885 S 27TH ST	FOX GLEN CORPORATE CENTRE LLC
978 9998 000	11027 S 27TH ST	FOX GLEN CORPORATE CENTRE LLC
978 9999 000		FOX GLEN CORPORATE CENTRE LLC
979 9997 000	3617 W ELM RD	HAMES H BILLER TRUST (THE)
979 9998 000		GERASOPOULOS, PETER & JUDITH
979 9999 000	3548 W SOUTH COUNTY LINE RD	CZERNIEJEWSKI, DAVID

18

**OPINION OF ATTORNEY FOR THE CITY ADVISING WHETHER THE
PLAN IS COMPLETE AND COMPLIES WITH WISCONSIN STATUTES,
SECTION 66.1105**

DRAFT

_____, 2005

City of Franklin
9229 W. Loomis Road
Franklin, WI 53132

Re: Project Plan for Tax Incremental District No. 3 of the City of Franklin, Wisconsin

Ladies and Gentlemen:

We have acted as counsel to the City of Franklin, Wisconsin (the "City") in connection with the proposed creation of Tax Incremental District No. 3 of the City (the "District") and the preparation of the project plan for the District (the "Project Plan").

In this connection, we have reviewed the Project Plan, the law and such other documents as we deem necessary to enable us to give this opinion. We have relied on the statements of fact set forth in the Project Plan and the documents attached as exhibits to the Project Plan, without independent verification. We have not been engaged or undertaken to verify the reasonableness or accuracy of the assumptions, estimates or financial projections contained in the Project Plan and express no opinion relating thereto.

Based on our review, it is our opinion that the Project Plan is complete and complies with Section 66.1105(4)(f) of the Wisconsin Statutes.

QUARLES & BRADY LLP